N.C. Association of Professional Loggers, Inc.

January 9, 2009

To: All NCAPL Members

From: Doug Duncan, Executive Director

Re: “Lobbying Expense” Portion of 2008 and 2009 NCAPL Logger and Partner Member Dues

The U.S. Congress enacted the Omnibus Budget Reconciliation Act in 1993 which contains a provision affecting trade associations like the NCAPL. The act provides that for tax years beginning in 1994, taxpayers will no longer be able to deduct from their federal income taxes any portion of their association dues attributable to that association’s “lobbying activities” as an ordinary and necessary cost of doing business. The law further requires us to notify you as to the percentage of your dues that are non-deductible. We have performed the required estimated calculations and have determined that 5% of your 2008 and a 5% estimate of your 2009 dues will be nondeductible as business expense.

The NCAPL, Inc. has calculated the “lobbying expense” portion of the 2008 and 2009 logger and partner member dues. Dues paid to the NCAPL, Inc. are not deductible as a charitable donation for income tax purposes. However they may be deductible as ordinary and necessary business expenses subject to restrictions imposed as a result of association lobbying activities. The NCAPL, Inc. estimates that the nondeductible portion of both 2008 and 2009 dues, the portion allocated to lobbying, is 5 percent.

For example a member who pays a dues amount of $1,000 has $950 which may be deductible as an ordinary and necessary business expense.

Please feel free to contact us if you should have any questions.

809 Greenwood Circle, Cary, NC 27511
contact@ncloggers.com / www.ncloggers.com
(919) 271-9050 office (888) 658-9604 fax